

URL: <https://ecorner.stanford.edu/clips/the-two-approaches-to-building-a-startup/>

Airtable CEO and co-founder Howie Liu describes two approaches to building a startup. The first focuses on launching quickly, then iterating based on customer behavior. The second approach, which Airtable took, focuses on developing a long-term business plan and creating a product that responds to the risks posed by current and future competitors.



Transcript

- I think there are two ways you can build a company, 00:00:04,160 and one is to just try to get that initial product market fit and then kind of ask the longer term questions later, right? And obviously sometimes that works, right? I think Twitter is probably an example of a company that maybe didn't have a ton of longterm thought fleshed out around, well, how are we going to monetize this thing, and what does this look like in five years, and so on.. And I think it just kind of emerged from effectively a weekend hack project out of Odeo, from which it spawned, and it just sort of took off, right? And so I think you can sort of build first, get traction, and then ask questions later.. I think there's also a different way, which is you kind of try to go and de-risk the longterm, kind of, outcome for the business by saying, "What is the business plan?" basically.. And you don't literally have to write a business plan.. I don't think I ever wrote a formal business plan, but ask a lot of the same questions that one might while writing one, right? Like, how do we beat competition? Like if this is such a great idea, why aren't there other people doing it? And like, even if there aren't any right now, if we go in and kind of build this product and get some traction, what's to stop a competitor from coming in and doing the same thing better, right, or beating us to win the market.. So I think it is important to, if you're gonna pick the latter path and de-risk more of the opportunity upfront, to ask the right sorts of questions, and probably there are some great resources out there around, how do you kind of write a business plan, and what are the questions you want to ask? I'm personally a big fan of the Peter Thiel class lecture essays, but talk about these various questions or ways of thinking about start-up ideas...